



NARC

Building Regional Communities

National Association of Regional Councils

777 North Capitol Street, NE, Suite 305

Washington, DC 20002

202.986.1032 (tel) 202.986.1038 (fax)

www.NARC.org

NARC's Preliminary Analysis of the *Surface Transportation Reauthorization and Reform Act*

The House Transportation and Infrastructure (T&I) Committee last week released its proposal to reauthorize the nation's surface transportation program in advance of a scheduled committee markup on Thursday, October 22. The *Surface Transportation Reauthorization and Reform Act* (STRR) is a three-year bill with the possibility of an additional three years if certain congressional requirements for funding are met. In total, the bill would provide \$325 billion in contract authority over the entire six-year life of the bill. What follows is a brief review of the legislative items NARC is following most closely. A more detailed analysis will be forthcoming.

Surface Transportation Program (STP): STP has been the primary focus of NARC's legislative efforts regarding transportation reauthorization. Namely, increasing the suballocation levels to increase funding for local projects.

The House bill makes several major changes to STP, starting with changing the name to the "Surface Transportation Block Grant Program." This caused some immediate confusion as to what this change means - the reality is that it likely means very little. STP functions as a block grant program anyway (the Congressional Budget Office [considers it](#) a block grant program) and there don't appear to be any major changes in the law that radically change how the program operates.

More importantly, the House bill increases suballocation 1% each year up to 55% in the fifth and sixth years of the bill. This is likely to result in an increase in STP funds for metropolitan areas; we can't say for sure because the House has yet to release its funding tables that show funding levels of individual programs. The increase in suballocation is a victory for local authority, but the enthusiasm is tempered somewhat by the fact that this bill only has three years of guaranteed funding and requires a "trigger" to ensure the last three years of the bill are enacted. Since the increase in suballocation is back loaded, the bill only guarantees an increase in suballocation to 53%.

The House bill also restructures the list of eligible STP projects. It does not remove any eligibilities by virtue of a grandfather clause preserving all previous eligibilities. The bill does, however, add several new eligible project categories: safe routes to school; boulevards and other roadways largely in the right-of-way of former interstate routes or other divided highways; workforce development, training, and education; projects that facilitate direct intermodal interchange, transfer, and access into and out of a port terminal; costs associated with providing federal credit assistance (TIFIA); and public-private partnerships.

Transportation Alternatives Program (TAP): The House took an interesting approach to the TAP program, attempting to thread the needle between members who want to preserve the program and those who want to eliminate it. TAP essentially remains in the bill, but is now called an "STP Set-Aside." As with STP, all previously eligible TAP project categories have been preserved. The STP Set-Aside is funded annually with a flat \$819.9 million from the STP program; these funds are subtracted before the suballocation by population calculation is done, so this plus up does not by itself increase suballocated funding. One of the frustrating aspects of the House release thus far is that we have not seen the allocation tables that tell us how much funding individual highway programs will receive. Therefore, we have yet to determine if the overall STP program was plussed up by the full \$819.9 million (plus any growth). We suspect this will be the case, but if it's less than that amount, then the shift of TAP into STP would be a negative for suballocation. We hope to have an answer on this very soon.

The calculation of the amount of TAP funding each state receives remains the same as in MAP-21, using 2009 transportation enhancement funding levels as the baseline. Distribution within each state remains largely the same as in MAP-21. The state can use 50% of the funds for projects anywhere in the state, while the other 50% is distributed based on population and the funds are required to be distributed on a competitive basis. The House bill also provides flexibility for MPOs in areas over 200,000 to flex up to 50% of their TAP dollars annually for use on any eligible STP project.



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Metropolitan Planning (PL) Funding: Without the funding charts (as mentioned above) we don't know what level of funding PL will receive. The funding levels for the entire program are likely still under negotiation, which is why they haven't yet been released. We'll update PL levels as soon as possible.

Transit Representation of the Boards of MPOs that Represent TMA's: In an effort to clarify congressional intent regarding a provision in MAP-21 that requires transit to be represented on the boards of large MPOs, the House adopted identical Senate language that would ensure that large MPOs will not need to restructure or seek a change in state statute to comply with this requirement.

Bridges: In a major departure from the Senate's DRIVE Act, the House makes on-system, non-NHS bridges eligible for funding under the National Highway Performance Program (NHPP). The Senate's approach, which would take 15% off the top of STP for an expanded bridge set-aside, fails to take into account that when the bridge program was eliminated in MAP-21, most of that funding went into NHPP. It's far more equitable that NHPP money be used to fill the so-called "doughnut hole" created by the elimination of the bridge program.